CA2ON
CU 755
055

Ann 88

ONTARIO LEGISLATIVE LIBRARY
RECEIVED
AUG 05 1988

C.1

THE ONTARIO OPERATING FUNDS DISTRIBUTION MANUAL

A MANUAL GOVERNING THE DISTRIBUTION OF ONTARIO GOVERNMENT OPERATING GRANTS TO ONTARIO UNIVERSITIES AND UNIVERSITY-RELATED INSTITUTIONS (FORMULA MANUAL)

1987-88 FISCAL YEAR

UNIVERSITY RELATIONS BRANCH
MINISTRY OF COLLEGES AND UNIVERSITIES
TORONTO, ONTARIO

Issue Date: March 1988

LEGISLATIVE LIBRARY OF ONTARIO
TORONTO
MAY 1993

101-05771/

FOREWORD

Although, in case of conflict, rulings and interpretations in this manual take precedence over those contained in any other document referred to by this manual, any such conflicts should be brought to the attention of the Director, University Relations Branch.

Under no circumstances should a university make decisions unilaterally on matters requiring an interpretation of the formula. Whether the problem is one of definition, one of programs not specifically identified in the formula categorization scheme, or exceptional circumstances requiring special consideration, the matter should be formally raised prior to completion and submission of enrolment reports by writing to the Director, University Relations Branch, Ministry of Colleges and Universities.

The institutional fiscal year covered by this edition of the Formula Manual is 1987-88. Unless otherwise indicated, the rulings, procedures and definitions, etc. contained in it apply to the whole of this fiscal year.

INDEX

1. GENERAL

1.0 Definitions
1.1 Historical Background
1.2 Outline of Distribution Mechanism
1.2.1 Basic Grants envelope
1.2.2 Enrolment adjustment/accessibility envelope
1.2.3 Mission related institution specific envelope
1.2.3.1 Northern Grants
1.2.3.2 Institutional Weights
1.2.3.3 Bilingualism
1.2.3.4 Differentiation
1.2.4 Research Overheads/Infrastructure envelope
1.2.5 Program Adjustment envelope
1.2.6 Faculty Renewal Fund
1.2.7 Library Enhancement and Student Equipment Fund
1.2.8 Special purpose grants

2. ELIGIBLE INSTITUTIONS

2.1 Provincially Assisted Institutions
2.2 Church-related and Federated or Affiliated Institutions

3. ELIGIBLE PROGRAMS

3.1 Program Approval Policy
3.1.1 Historical record
3.1.2 Current Policy - undergraduate
3.1.3 New Programs - graduate level
3.1.4 Programs in education
3.2 Categorization and weighting
3.2.1 General
3.2.2 Undergraduate, Diploma and First Degree
3.2.3 Miscellaneous other Undergraduate level
3.2.4 Graduate level programs
3.2.5 Special Notes

4. ENROLMENT REPORTING REQUIREMENTS

4.1 Definitions
4.2 Ineligible students
4.3 Eligible undergraduate students
4.4 Eligible graduate students
4.5 Imputing procedure for undifferentiated first year
4.6 Minima-maxima provisions

5. SPECIAL PROVISIONS

5.1.Tuition Fees
- 5.1.1 Regular fees
- 5.1.2 Ancillary fees
- 5.1.3 Foreign Student fee differentials and exemptions

5.2 Exchange Programs and Study Abroad Courses and Programs

5.3 Students Enrolled at Unrelated Institutions

1. GENERAL

The purpose of a distribution mechanism or formula is to provide an objective mechanism for determining the share of the provincial operating grant to be allocated to each university. The Ontario distribution mechanism aims to ensure a reasonable degree of equity in the distribution of available government support. It does not in itself provide the basis for determining the level of such support. It should be noted that the distribution mechanism is not intended to limit or control the expenditure of funds granted to the universities, except in the case of the specifically targeted envelopes for research overheads, faculty renewal, library enhancement and student equipment (up to 1987-88), program adjustment and the other special purpose grants allocated for grants-in-aid and other activities.

The non-targeted university operating grants may be applied to any eligible university operating expenditure. Eligible expenditures include all operating expenditures except those

(a) in connection with assisted/sponsored research,
(b) for principal and interest payments on capital indebtedness,
(c) for student aid,
(d) for ancillary enterprises,
(e) for capital projects.

1.0 Definitions

A series of definitions used generally throughout this manual follows. Detailed definitions used in the calculation and reporting of enrolment for funding purposes are contained in section 4, Enrolment Reporting Requirements.

1.0.1 Institution

For the purposes of this manual, "institution" means an eligible institution as listed in section 2.

1.0.2 Program

For the purposes of this manual, a program is defined as a sequence of courses or other units of study prescribed by an institution for the fulfilment of the requirements of a particular degree, diploma or certificate.

1.0.3 Transfer

A transfer is defined as a change from one sequence of courses or other units of study that fulfils the requirements of a degree, diploma or certificate to another sequence of courses that fulfil the requirements of a different degree, diploma or certificate, even if course credits are transferred from one program to the other.

1.0.4 Program Level

For the purposes of this manual, the program levels are defined as follows:

- preliminary or qualifying year
- diploma
- certificate
- undergraduate baccalaureate
- professional
- master's
- doctoral
- special or unclassified

1.0.5 Professional

As used in this manual "professional" refers to programs leading to diplomas or degrees in the following disciplines:

Agriculture	Medicine
Architecture	Music
Business	Nursing
Commerce	Optometry
Administration	Pharmacy
Dentistry	Physical and
Divinity or Theology	Health
Education	Education and
Engineering	Recreation
Forestry	Physio and
Home Economics	Occupational
Food Sciences	Therapy
Hygiene	Secretarial Sciences
Journalism	Social Work
Law	Veterinary Medicine and
Library Sciences	Animal Sciences.

1.0.6 One full term or its full-time equivalent

This is defined in detail in section 4 - Enrolment Reporting. For undergraduate work, this means at least 0.5 FFTE's. For graduate work this means at least 1.0 term FTE.

1.0.7 Group I (Type A) and Group II (Type B)

The term Type A is interchangeable with the term Group I and the term Type B is interchangeable with the term Group II.

Those students will be classified as Group I who are reported for formula purposes at a weight per term of 0.75 or less, or as Upper Years Honours Science, Music, or Environmental Science at weight 1.0 per term. All others will be classified as Group II.

1.0.8 Dependent

With respect to a person, means the spouse of that person and any unmarried son or daughter of that person or of the spouse of that person who is in full time attendance at an Ontario university or related institution.

1.1. Historical Background

The idea of devising an objective mechanism to allocate operating grants to Ontario Universities was deliberated for many years. A strong endorsement of this principle came from the 1965 Bladen Commission report.

The distribution of operating funds to Ontario Universities by means of an enrolment-based formula was first introduced for the 1967-68 fiscal year. The various programs were weighted to approximate relative costs. Basic Income Unit (BIU) counts were generated by multiplying full time equivalent (FTE) enrolment by the appropriate program weights. (The weights range from 1.0 to 7.5).

To calculate the grant entitlement for each institution, the value of the Basic Income Unit was determined by the government, on the advice of the Committee on University Affairs. The dollar amounts of Basic Operating Income (BOI) were calculated by multiplying the BIU counts by the BIU value. Formula Fee rates were set for each program by the government, and reviewed each year. The full-time-equivalent enrolment was multiplied by these fee rates to calculate total formula fee income. These formula fees were subtracted from basic operating income to determine each institution's operating grants.

This first formula was used to determine the allocation of operating grants from 1967-68 through to 1972-73, with only some minor adjustments in weighting schemes and in the calculation of full time equivalency. However, during this period a change in policy occurred, whereby the government determined the total available operating grant dollars, rather than the BIU value for the year. This resulted in the formula becoming purely a mechanism for determining the distribution of grants between institutions, rather then the determining factor for the total amount of operating support provided. The BIU value was thereafter merely an artifact, determined by dividing the total available dollars by the total number of funding units in the system.

For the 1973-74 fiscal year, in response to pressure from institutions, "slip-year" financing was introduced. Under this scheme, grants were distributed on the basis of the previous, rather than the current, years enrolment, thus permitting more effective planning in the institutions. Grants for the years 1973-74 through to 1975-76 were calculated in this way, with a few more minor changes in weighting and FTE calculation.

For the 1976-77 fiscal year there was a major change in the way that students were counted, with the simultaneous introduction of fractional unit counting and multiple term reporting for all students at the undergraduate level. Also in that year, a freeze was introduced on the graduate counts for funding purposes: the 1975-76 level was to be used for three years. Moreover, to reduce the sensitivity of the distribution mechanism to changes in enrolment at all levels the formula now took into consideration more than one year of enrolment data: in 1976-77 the grants were based on 1/3 1974-75 and 2/3 1975-76 undergraduate data; in 1977-78 an average of the previous three years was used.

For the distribution of 1978-79 operating grants, the formula was amended again: the notion of enrolment averaging to reduce sensitivity to enrolment fluctuations was retained, and the concept of base (or "fixed cost") and moving average (or "variable cost") was introduced. The base years were set at 1974-75, 1975-76 and 1976-77; the moving average consisted of the three years immediately prior to the grant year. To further reduce sensitivity to enrolment changes a factor was introduced which effectively discounted increases or decreases in enrolment beyond the base levels.

This formula remained in operation for grant distribution up to and including grants for 1983-84. The freeze on graduate student counts for funding purposes was lifted for grants distributed in 1979-80. The discount factors employed were 50% at the undergraduate and masters graduate levels, 66 2/3% at the doctoral graduate level.

Operating grants for 1984-85, 1985-86 and 1986-87 were distributed on the basis of an "interim formula", consisting of 2/3 "old" formula and 1/3 "new" formula.

This "new" formula attempted further to reduce sensitivity to enrolment fluctuations, and to combat some concerns about the use of 1974-76 enrolment levels as a base. The "new" base funding BIU and formula fee counts consisted of the average of the old base years, 1974-75, 1975-76 and 1976-77, together with the three years having the highest BIU counts between 1974-75 and 1982-83. This average was thus based on different years depending on the institution concerned. A moving average BIU and fees count was calculated from the latest three years, as before, but was the basis for only 25% of the grant distributed by the "new" formula, at all levels.

1.2. Outline of Distribution Mechanism for 1987-88 and beyond

On December 17, 1986, the Chairman of the Ontario Council on University Affairs delivered Advisory Memorandum 86-VII, "Modification of the Operating Grants Formula" to the Minister of Colleges and Universities. This advisory memorandum recommended a new operating grants allocation mechanism for 1987-88 and beyond.

Council reaffirmed its objectives for the operating grants distribution mechanism, as outlined previously in Advisory Memorandum 77-VII, "The Ontario System: A Statement of Issues", and re-iterated in Advisory Memorandum 82-XV:

1. funding stability by preventing extreme fluctuations in institutional income,

2. funding predictability to assist institutions in their planning efforts,

3. equitable allocations among institutions,

4. accountability to the public by linking funds to some quantifiable factor, and

5. a method that is simple to use, understandable and practical to implement.

Earlier in 1986, the council had consulted with the institutions on the priority that should be attached to each of these objectives. In general, institutions attached highest priority to funding stability and/or equitable allocation rather than to the other objectives. The primary direction for formula revision chosen by the council was, therefore, enhanced funding stability, in order to achieve the following aims:

(a) protect institutions' funding from the impact of the actions of other institutions;

(b) reduce the incentive for institutions to use growth only for the purpose of increasing their share of total operating grants;

(c) provide the opportunity for quality considerations as well as for quantity considerations in academic decisions; and,

(d) reduce short-term variations in funding which may result from fluctuating enrolment patterns in future years.

A secondary direction undertaken in this formula revision was to address some of the concerns raised by institutions about the fairness of the existing formula in recognizing individual institutional needs. The council undertook to address those concerns only if there were new funds available to support adjustments. Such adjustments were not to be made in a zero-sum situation where they would result in reductions in funding for other institutions. The Minister, on November 3, 1986, announced that funds had been made available for the council to address concerns about the recognition of expanded instructional and research activity, and the special needs of the northern institutions. The council, therefore, had two additional aims for its formula revision related to instructional concerns:

(a) to provide appropriate recognition for relative changes in past levels of activity by adjusting the level of funding with due regard to the past legacy of funding patterns, and,

(b) to adjust institutional funding over the long term, in relation to changing levels of activity.

The council's recommended formula revision was a multi-faceted system of operating grant distributive mechanisms, with a number of different functions, but integrated in total impact. It is based on an "envelope" approach to operating grants allocation.

Five separate envelopes were designated for 1987-88:

(1) Basic Grants envelope;
(2) Enrolment adjustment/accessibility envelope;
(3) Mission related, institution specific envelope
    (a) Northern Mission
    (b) Institutional Weights (Ryerson and OCA)
    (c) Bilingualism
    (d) Differentiation;
(4) Research Overheads/Infrastructure envelope;
(5) Program Adjustment envelope.

1.2.1. Basic Grants envelope

The basic grants allocation mechanism will operate in the following manner:

(i) To begin with, each institution's basic grant will equal its 1986-87 formula grants.

(ii) Institutions will continue to receive approximately this level of "real" basic grants so long as their "moving-average" of Basic Income Units (BIUs) remains in a corridor of ±3%. The only variation in an institution's funding will be the tuition fees gained or lost by varying levels of enrolment.[1]

(iii) When an institution's moving-average BIUs fall below its corridor, it will have its BOI, and hence basic grants, reduced in line with the decline in BIUs. With the agreement of the Ontario Council on University Affairs, the institution may negotiate for the establishment of a new corridor lower than its current one at a lower level of basic grants to avail itself of the funding stability inherent within a corridor. A new corridor would be based on an agreed plan. The institution would be able to approach the council prior to or after going below its floor. The council would recommend any agreed change to the Minister for approval.

(iv) When an institution's moving-average BIUs go above its corridor it will receive no automatic increase in basic grants but will retain all incremental tuition fees. With the agreement of the council, and if it approaches the council prior to going above its ceiling, the institution may negotiate the establishment of a new corridor above its current level at a higher level of basic grants. A new corridor would be based on an agreed plan. The council

---

1. This assumes that total basic grants and formula fee rates increase annually at the same rate. If the percentage increases in total basic grants and formula fee rates differ, the rate of increase in basic grants may vary among institutions according to the proportion of BOI funded by fees at each institution. In this context "real" basic grants refers to the 1986-87 formula grants escalated by the annual increase in system-wide formula grants.

would recommend any agreed change to the Minister for approval.

(v) The 1987-88 basic grants entitlement will be adjusted as the enrolment/accessibility and institutional weights adjustments are applied.

1.2.2. Enrolment adjustment/accessibility envelope

In 1987-88 this envelope operates as an adjustment for funding anomalies which developed over the latter years of operation of the previous formula as a result of differences in the patterns of enrolment growth among Ontario universities. In 1988-89 and subsequent years this envelope is designated for the recognition of enrolment growth beyond 1986-87 levels. In particular this envelope should enhance accessibility for all qualified students, and increase participation, in spite of the projected decline of the 18-24 year old age group in our population. This fund will be used to enhance opportunities for adults, part-time students and under-represented groups in our society, and will provide resources, if required, to support any temporary increase in the size of the entry cohorts due to the implementation of the new OS:IS guidelines in the Ontario secondary schools.

1.2.2.1. Enrolment adjustment - 1987-88 grants

In 1987-88 a total of $25 million in enrolment adjustment grants are to be allocated in the following manner:

(i) $12.5 million to be allocated according to each institution's proportion of weighted Growth BIUs. Growth BIUs are defined as the gap between an institution's undiscounted and discounted BIUs and are calculated by subtracting each institution's 1986-87 Funding BIUs (i.e., discounted BIUs) from the average of its 1983-84, 1984-85, and 1985-86 BIUs (i.e., undiscounted BIUs). Each institution's Growth BIUs are to be weighted according to the proportion that its growth BIUs are of its undiscounted BIUs (the three year average indicated above).

(ii) $12.5 million to be allocated according to each institution's proportion of the university system's unweighted Growth BIUs.

In 1988-89 the grant amounts so generated will be included in each institution's Base Grants and Base BOI, for the purposes of calculating subsequent base grant entitlements.

1.2.2.2. Accessibility Envelope - 1988-89 grants

The accessibility envelope will recognize incremental enrolment growth in 1987-88 by funding in 1988-89 the positive difference between each institution's 1987-88 BIUs and its 1986-87 BIUs, less the positive difference in formula fees between the same two years. These BIUs and formula fees will not be included in an institution's moving average count in the basic grants envelope.

1.2.2.3. Accessibility Envelope - 1989-90 and subsequent grants

The government has made a commitment to fund the incremental growth identified in 1987-88 in future years, at a rate which would result from this method applied in future years (current Base BOI per base BIU, less formula fees). This commitment will be honoured, whatever further decisions are made with respect to the longer term operation of this envelope.

The government has reserved judgement on the operation of the accessibility envelope in future years, pending clarification of the impact of OS:IS on post-secondary enrolments, and further deliberation on the matter of under-represented groups.

1.2.3. Mission related institution specific envelope

This envelope comprises the former categories of operating grant known as "extra formula", together with two additional programs, namely an additional special northern grants category in 1987-88 and a weight adjustment grant to compensate for a phase in to new weight and fee rates for the institutions of Ryerson Polytechnical Institute and the Ontario College of Art.

1.2.3.1. Northern Mission

Northern Ontario Grants are provided to the northern institutions to offset the extra costs faced by these universities. Besides those due to environmental factors, costs include those due to the isolation of northern universities, and the consequent need to maintain a more varied minimum range of programs than would be feasible without extra support. Support levels are determined by OCUA as a percentage of prior year's basic operating income, or in terms of the percentage increase in prior year's Basic Operating Income. The "mini-formula" used for the calculation is outlined in OCUA Advisory Memorandum 75-VII. A commitment was made, in OCUA Advisory Memorandum 82-XIV, to review the Northern Grants allocation. The council planned to begin this review in the 1987 Spring hearings with the northern institutions. Allocation of Northern Grants since their inception in 1975-76 are detailed in Appendix 1.2.3.1.

For 1987-88, a special allocation of $3,000,000 was made to the northern institutions to address particular needs in providing university-level education in northern Ontario. This grant has been allocated to each institution according to its share of the regular Northern Grants.These grants should be used to enhance each institution's ability to fulfil its northern mission. The institutions must report to the Minister their actual and/or anticipated expenditures of the Special Northern Grants for the fiscal year, prior to October 1, 1987.

1.2.3.2. Institutional weights

In Advisory Memorandum 86-VII, the Ontario Council on University Affairs recommended that institutional funding weights for Ryerson Polytechnical Institute and the Ontario College of Art (OCA), as well as their institutional formula fee rates, be increased. This advice was accepted, and the phase-in of fee rates to the "Group 5" level started in 1987-88. An institutional weight adjustment grant is to be awarded to each institution to reflect the increase in the institutional weight accorded to each institution. These grants are the residual of the Base Basic Operating Income (Base BOI) revenue increase resulting from the increase in institutional weights and the increased level of formula fee revenue generated by the recommended fee rate increase. Institutional weight adjustment grants are temporary grants reflecting a change in BIU and BOI levels. When fully implemented, the movement of fee rates to the "Group 5" level will cover the increased BOI for these institutions.

1.2.3.3. Bilingualism

The Government of Ontario has made special bilingualism grants since 1967-68, in recognition of the costs incurred for this purpose by various institutions. These grants finance three main objectives. First, to provide educational opportunities in their own language to Franco-Ontarians. Second, to make available in institutions of different sizes parallel course streams in a bicultural ambiance for both English and French language groups. Third, to provide more or less fully bilingual and bicultural exposure to anglophone and/or francophone groups.[2]

In Advisory Memorandum 83-IX, the Ontario Council on University Affairs documented the incremental cost of existing bilingualism programs using 1981-82 cost data. On the basis of the study's findings, the level and distribution of bilingualism grants were adjusted in 1984-85 to reflect more accurately the incremental costs of bilingualism. This distribution among institutions should form the basis of bilingual grant allocation for a four to six year period from the last adjustment. The total funds

---

2. Ref. First Annual Report, Ontario Council on University Affairs, 1974-75

available for distribution within this program are equal to the previous year's grants increased by the percentage increase in the total university system basic operating grants. The amounts allocated in each year since 1967-68 are contained in Appendix 1.2.3.3.

1.2.3.4. Differentiation

In 1981-82 a new category of operating fund grants was introduced: differentiation grants. Over the previous several years the Ontario Council on University Affairs had repeatedly stated its belief that there was a need for system-wide rationalization. This, it was felt, should be achieved primarily through institutional role differentiation. The council believed that each institution must identify its existing strengths as a basis for planning and development, and channel its initiatives in relation to those strengths. The council considered that differentiation grants were appropriate when an institution accepted a clearly differentiated role, demonstrated its intention to pursue its strengths efficiently and effectively, and required special funding to do so. The renewal or continuation of such a grant depends entirely on the progress the institution makes towards attaining its goals over the period for which the grant is awarded.[3]

Trent University was the first, and to date has been the only, recipient of a differentiation grant. In the course of its development, Trent has chosen to differentiate itself from the other institutions in the Ontario university system and has a particular role to play as the only institution in the province engaged almost entirely in undergraduate Arts and Science instruction. The differentiation grants awarded since 1981-82 are detailed in Appendix 1.2.3.4.

---

3. The Ontario Council on University Affairs, in Advisory Memorandum 80-VI, The Allocation of the Government's Operating Support for the University System in 1981-82.

1.2.4. Research Overheads/Infrastructure envelope

During the discussions which took place in 1985-86 surrounding the modification of the University Operating Grants Formula, concern was expressed about the level of funding provided for the overhead costs of sponsored research through the existing formula grant mechanism. It was pointed out that sponsored research activity and direct funding had increased significantly in recent years. The support of the indirect or overhead costs of this research through operating grants had not kept pace. This had a particularly negative impact on the research infrastructure and other areas of university operations at institutions heavily involved in resource-intensive research.[4]

In 1986-87, under the auspices of the University Excellence Fund program, a total of $15 million was allocated to enhance the research resources of the universities. This money was to be used to assist in the acquisition of research equipment, specialized experimental facilities and highly skilled technical and professional support staff.

The Research Overheads/Infrastructure Funding Envelope provides continuing assistance in the funding of research overheads. The bulk of funding for research infrastructure and overheads will continue to be provided through the base grants envelope. The additional envelope must be considered a marginal funding source for research activity. As such, it should be responsive to changes in the level of sponsored research activity at each university and should reflect the relative levels of costs incurred at each institution.

For 1987-88 the research overheads/infrastructure grants will be allocated on the basis of each institution's proportion of peer-adjudicated sponsored research funding by the Federal Government's three granting agencies (the Social Sciences and Humanities Research Council, the Natural Sciences and Engineering Research Council and the Medical Research Council) for the years 1983-84, 1984-85 and 1985-86.

A review of the appropriate long-term mechanism for supporting overhead and infrastructural costs of sponsored research will be undertaken in 1988. The

---

4. The Ontario Council on University Affairs, in Advisory Memorandum 86-VII, Modification of the Operating Grants Formula.

Ontario Council on University Affairs will recommend the appropriate mechanism upon completion of its study.[5]

5. The Ontario Council on University Affairs, in Advisory Memorandum 87-I, The Allocation of the Government's Operating Support for the University System in 1987-88.

1.2.5. Program Adjustment envelope

The government's allocation for university operating support announced in November 1986[6] included provision for funds to assist in meeting the costs associated with program closure, program start-up in areas of critical need, moving capacity from one institution to another or initiating co-operative efforts or joint programs in order to facilitate desired program adjustments. These programs will be folded into basic funding as appropriate over a reasonable period of time. The overall objective of this envelope is to enhance quality and to encourage rationalization and differentiation.

1.2.5.1. Distribution for 1987-88[7]

The $7 million in Program Adjustment grants for 1987-88 will be allocated according to each institution's proportion of the sum of the total Basic Income Units for the years 1984-85, 1985-86 and 1986-87. The funds allocated are to be used to facilitate the type of activities which will bring about needed program adjustments. These funds should not be treated as normal operating funds. If the planned expenditures of an institution's funding entitlement do not meet the eligibility criteria outlined below, the funds accruing from the ineligible expenditures should not be allocated. The funds withheld should either be retained by government, or revert to the basic grants envelope for general distribution.

The following types of activity will be eligible for program adjustment funding in 1987-88:

- closures of programs or significant contractions of existing programs;

- start-up costs of programs which are eligible for Government support;

---

6. Letter from the Honourable Gregory Sorbara, Minister of Colleges and Universities to Mrs. Marnie Paikin, Chairman, Ontario Council on University Affairs, November 3, 1986, announcing operating support for 1987-88.

7. The Ontario Council on University Affairs, in Advisory Memorandum 87-VIII, Criteria and Process for the Program Adjustment Envelope, 1987-88.

- major shifts in emphasis or capacity within programs;

- new, or significantly expanded, co-operative or joint inter-institutional programs; and

- movement of program capacity from one institution to another.

Eligible expenditures associated with the above activities will include:

- retraining or redeployment of faculty and staff within an institution;

- transfer of faculty or staff to another institution;

- facilitating early retirement;

- buying out contracts;

- equipment and library purchases required for start-ups and increases in capacity;

- relocating equipment between institutions;

- appointments of faculty and staff in new areas for 1987-88.

Each expenditure should be directly related to the program adjustments activity designated. Program adjustment funds may not be applied against renovation expenditures.[8]

Prior to the allocation of funds, institutions are required to indicate to the ministry the type of activity for which program adjustment grants will be used, along with the estimated size and type of expenditures to be undertaken. Ministry approval of individual projects will be contingent on evidence of significant additional support for each project being allocated from an institution's other funds, exclusive of amounts received from the program adjustment envelope. The expenditure of all funds

---

8. Letter of August 14, 1987 From the Honourable Gregory Sorbara, Minister of Colleges and Universities, to Dr. Paul Fox, Chairman, Ontario Council on University Affairs.

for program adjustment, as defined above, must be separately accounted for.

The allocation of program adjustment funds on a pro-rata basis is a special, one-time only arrangement. There is no guarantee that projects funded under these 1987-88 procedures will be renewed under the 1988-89 envelope.

1.2.5.2. Allocation for 1988-89

The Ontario Council on University Affairs intends to submit advice on the ongoing operation of the program adjustment envelope in the near future. The council remains convinced that the best way to fund program adjustments is through a challenge fund where institutions will be able to make proposals for program adjustments and negotiate funding for them.[9] The Ministry will provide copies of the submissions and approvals for the 1987-88 program for information purposes, since this information could be valuable in developing the procedures and criteria for the future operation of the envelope.

Institutions will be able to submit, as part of the program adjustments competition in 1988-89, any carry-forward of the program adjustments begun in 1987-88. Funding for these projects in 1988-89 will be determined by comparing their merits to those of newly submitted proposals for program adjustments.

---

9. The Ontario Council on University Affairs, in Advisory Memorandum 87-VII, Criteria and Process for the Program Adjustment Envelope, 1987-88.

1.2.6. Faculty Renewal Fund

1.2.6.1. Allocation and Guidelines for 1986-87

In October 1985, the Minister of Colleges and Universities announced the creation of the University Excellence Fund. One component of this fund was intended to increase the proportion of younger faculty and women faculty in the university system. Ten million dollars was allocated for 1986-87 to provide support for new faculty appointments.[10] In May, 1986 the government announced its intention to support 500 Faculty Renewal appointments over the five year period 1986-87 to 1990-91.

For 1986-87 entitlements under the Faculty Renewal Program were calculated on the basis of total faculty salary expenditures. The institutions were required to submit proposals detailing how they planned to expend their entitlements. Eligible expenditures included:

- hiring new faculty (particularly younger faculty and women faculty) who did not currently hold a tenured position;

- altering the existing faculty complement through buy-out arrangements or early retirements to replace senior faculty with new appointments, provided that such arrangements in each case could be shown to result in new appointments; and

- providing for professional development and upgrading in addition to that normally undertaken by the institution involved.[11]

Institutions that wished to expend funds on the altering of existing faculty complement through buy-out arrangements or early retirements had to demonstrate how such expenditures would result in

---

10. Letter of May 26, 1987 from the Honourable Gregory Sorbara, Minister of Colleges and Universities to Mrs. Marnie Paikin, Chairman, Ontario Council on University Affairs.

11. Letter of April 10, 1986 from the Honourable Gregory Sorbara, Minister of Colleges and Universities, to Mrs. Marnie Paikin, Chairman, Ontario Council on University Affairs.

the hiring of new faculty. Institutions that wished to expend funds for professional development and upgrading that did not directly result in the hiring of new faculty were required to demonstrate why and how such expenditures were more appropriate in pursuit of the overall goal of faculty renewal.[12]

1.2.6.2. Entitlements and Guidelines 1987-88 and beyond.

Beginning in 1987-88 institutions will not be automatically entitled to a share of the fund on the basis of a formula. Each institution was required to submit a faculty renewal plan for the remaining duration of the program. These submissions were to describe the institution's current situation, set out how it intended to use the fund to further the program's goals, particularly the improvement of the percentage of women faculty, and set out its own plans to pursue specialization and excellence. The submissions were also to demonstrate how the positions funded by the Faculty Renewal Program would become self-financing at the end of the five year period.

Beginning in 1987-88 eligible expenditures are limited to:

- hiring new faculty (particularly younger faculty and women faculty) who do not currently hold a tenured position; and

- transferring existing faculty on part-time and limited-term appointments to full-time tenure track appointments.[13]

The Ontario Council on University Affairs assigned the task of assessing the institutional submissions, particularly with respect to the appropriateness of the various proposed positions, to it's Academic Advisory Committee (AAC). This committee's report forms Appendix A of the Ontario Council on

---

12. Letter to Executive Heads of Provincially Assisted Universities and realted institutions of April 15, 1986 form Alan. K. Adlington, Deputy Minister.

13. Letter of May 26, 1986 from the Honourable Gregory Sorbara, Minister of Colleges and Universities, to Mrs. Marnie Paikin, Chairman, Ontario Council on University Affairs.

University Affairs's Advisory Memorandum 87-IV, "Faculty Renewal Program: Years Two through Five". The number of positions allocated to each institution are detailed in Appendix 1.2.6.2.

The results of the Faculty Renewal Program are to be monitored yearly in order to assess each institution's success in terms of increasing the number (and hence the proportion) of younger faculty and female faculty. Therefore, as a condition of continuing support under the Faculty Renewal Fund Program, institutions are required to report to the Minister, by the end of the first fiscal year for which each new faculty member hired under the program is appointed, the following information for each position supported:

a) the age of the faculty member hired;

b) the sex of the faculty member;

c) his/her appointment status immediately prior to appointment, i.e, whether on a part-time or contractually-limited appointment and/or whether on the staff of the institution or that of another institution; and

d) the salary[14] and benefits of appointed individuals.

Institutions are requested to submit any proposed changes to their individual faculty renewal plans to the Ontario Council on University Affairs, by November 1st of each year. These submissions should include: a) the departmental affiliation; and b) a statement as to how the proposed appointment will achieve the program's objective of enhancing institutional specialization and excellence.[15] The OCUA will review the submissions and make recommendations to the Minister where appropriate.

---

14. Ref.:Ontario Council on University Affairs, Advisory Memorandum 87-IV, recommendation 87-20, and letter of July 9, 1987 from the Honourable Gregory Sorbara, Minister of Colleges and Universities, to Dr. Paul. W. Fox, Chairman, Ontario Council on University Affairs.

15. Ontario Council on University Affairs, Advisory Memorandum 87-IV, recommendation 87-21.

The amount of support allocated to each position is based on a specific salary level which was determined in consultation with OCUA and COU.

Institutions are required to submit reports to the ministry accounting for any surplus faculty renewal funds which they receive. In the event that their total actual salary and benefit costs are less than their total entitlements, based on the pre-determined support levels, there are a number of eligible means for spending the surplus funds. These include providing for professional development or upgrading in addition to that normally undertaken, and allowing for the altering of existing faculty complements through buy-out arrangements or early retirements.

Institutions are required to account separately for expenditures pursuant to the Faculty Renewal program, and to submit special audit reports with respect to the fund, in accordance with the audit guidelines developed for 1986-87 University Excellence Fund expenditures.[16] These guidelines are contained in Appendix 1.2.7.2.

1.2.7. Library Enhancement and Student Equipment Fund

1.2.7.1. Allocation and Guidelines 1986-87

In October 1985, the Minister of Colleges and Universities announced the creation of the University Excellence Fund. A major component of this fund was the Library Enhancement and Instructional Equipment allocation, to assist institutions in the acquisition of library reference materials and equipment and urgently required teaching aids, computers, laboratory and scientific equipment for instructional purposes.[17]

---

16. Letter of April 23, 1987 from the Honourable Gregory Sorbara, Minister of Colleges and Universities, to Mrs. Marnie Paikin, Chairman, Ontario Council on University Affairs.

17. Letter of October 25, 1985 from the Hounourable Gregory Sorbara, Minister of Colleges and Universities to Mrs. Marnie Paikin, Chairman, Ontario Council on University Affairs.

Each institution's entitlement was based on its 1985-86 enrolment as measured by its Basic Income Units (weighted enrolment). Institutions were asked to submit proposals detailing how they intend to expend their entitlements. In accordance with advice received from the Ontario Council on University Affairs in Advisory Memorandum 85-VII, "University Excellence Fund", these submissions were to be broad in nature, project-oriented (rather than line-by-line), and were to outline the types of expenditures to be undertaken, confirm that the expenditures met the eligibility criteria and indicate the anticipated impact on enhancing the quality of instruction.

Eligible expenditures under this component of the University Excellence Fund included:

- one-time installation costs such as cabling for micro-computer laboratories;

- directly related renovation and alteration costs to reconfigure or adapt existing physical plant to accommodate the new equipment and to provide access to these acquisitions.

1.2.7.2. Allocation and Guidelines 1987-88

Allocations for 1987-88 are based on actual 1986-87 BIU counts. Eligible expenditures are the same as 1986-87, and reporting requirements are also identical. Proposals are to be submitted to the Director of the University Relations Branch. Following approval of the institution's proposal,[18] funds are flowed on a calendarized basis.

Institutions must account separately for expenditures under the Library Enhancement and Student Equipment Fund, and must submit special audit reports with respect to the fund, in accordance with the audit guidelines developed for the 1986-87 Excellence Fund expenditures. These guidelines are contained in Appendix 1.2.7.2.

It remains the government's intention that funds expended under the Library Enhancement and Student

---

18. Letter of April 23, 1987 from the Honourable Gregory Sorbara, Minister of Colleges and Universities, to Mrs. Marnie Paikin, Chairman, Ontario Council on University Affairs.

Equipment fund be additional to those which would normally be expended for library reference materials and student equipment. The "additionality" test developed for 1986-87 will be applicable. The 5-year average representing "normal" levels of expenditures for libraries and instructional equipment will be updated to include total 1986-87 expenditures minus 1986-87 Library Enhancement and Student Equipment allocations.

1.2.8. Special Purpose Grants

A number of small operating grant payments are made to Ontario universities and other related institutions to provide funds for special activities and grants-in-aid under special agreements with the specific institutions. The major categories of these other grants are:

(a) Francophone programs:
French Minority Language
French as a Second Language
Ontario-Quebec Exchange
Special French Language Development

(b) Off-campus grants to northern institutions

(c) Teacher Education In-Service Programs

(d) Grants-in-aid:
University of Toronto Schools
Bar Admission program
Ontario Educational Communications Authority

(e) Special purpose, non-recurring items

2. ELIGIBLE INSTITUTIONS

2.1. Provincially Assisted Institutions

The following institutions are eligible to claim support as outlined in this document, subject to any limitations that may be imposed by the Minister. Eligible enrolment in the federated or affiliated colleges as set out in section 2.2 may be claimed by the institutions below:

Brock University
Carleton University
University of Guelph
Lakehead University
Laurentian University
    Algoma College
    Nipissing College
    Le College de Hearst
McMaster University
University of Ottawa
Queen's University
University of Toronto
Trent University
University of Waterloo
The University of Western Ontario
Wilfrid Laurier University
University of Windsor
York University
The Ontario Institute for Studies in Education
Ryerson Polytechnical Institute
Ontario College of Art
College of the Dominican or Friar Preachers of Ottawa

2.1.1. College of the Dominican or Friar Preachers of Ottawa

Dominican College became eligible for 50% provincial support commencing in September, 1973. Any program introduced after September 1, 1967 must have met or must meet the same requirements for program approval as they apply to the provincially assisted institutions as set out in section 3.1.2.

2.2. Church-related and Federated or Affiliated Institutions

Institutions named in section 2.1 may claim full operating support for eligible enrolment in eligible programs in the following church-related institutions which are federated or affiliated with them, subject to the criteria detailed in sections 2.2.1 - 2.2.3:

Brescia College
Huron College
King's College
St. Peter's Seminary
Queen's Theological College
The University of
Michael's College
Trinity College
Victoria University
Knox College
Wycliffe College
Regis College
St. Augustine Seminary
Concordia Lutheran Seminary
Thorneloe University
University of Sudbury
Huntington College
McMaster Divinity College
St. Paul University
Renison College
St. Paul's United College
The University of St.
Jerome's College
Conrad Grebel College
Waterloo Lutheran Seminary

2.2.1. Conditions for eligibility - students

The conditions for eligibility for full support for enrolment in institutions named in 2.2 are:

- that any student for whom operating eligibility is claimed be registered at one of the provincially assisted universities named in section 2.1 and the degree awarded be that of the provincially assisted university;

- that the standards of admission, curriculum, graduation, etc. be established and regulated by the appropriate academic bodies of the provincially assisted university.

2.2.2. Conditions for eligibility - non-theological programs

Only those non-theological programs in existence at the federated and affiliated colleges when the 100% support policy was introduced on September 1, 1974 become automatically eligible. All other non-theological programs must have met or must meet the same requirements for program apprcval as those which apply to the

provincially assisted institutions as set out in section 3.1.2.

2.2.3. Conditions for eligibility - theological programs

Only those theological programs in existence on September 1, 1967 became automatically eligible for 100% support on April 1, 1976. Any program introduced after September 1, 1967 must have met or must meet the same requirements for program approval as those which apply to the provincially assisted institutions as set out in section 3.1.2.

3. ELIGIBLE PROGRAMS

3.1. Program Approval Policy

3.1.1. Historical record

3.1.1.1. Undergraduate programs: 1974 to November 2, 1981

With the approval of their senates, institutions were free to establish new undergraduate programs, and have them funded automatically. Only undergraduate programs of the following types required ministry approval:

(1) new professional programs
(2) new health sciences programs
(3) new Ryerson and Ontario College of Art programs
(4) new programs requiring extra formula support
(5) new programs not included in existing weight categories for which a formula weight above 1.0 was required.

3.1.1.2. Undergraduate programs November 2, 1981 to December 15, 1982

On November 2, 1981, the Minister announced a freeze on all new undergraduate programs under which:

(1) universities were asked to introduce no new undergraduate programs without prior consultation with the Ontario Council on University Affairs;

(2) universities could report enrolment in a new program for formula grant purposes only if the new program had received

    (a) OCUA's recommendation to the Minister for funding, and

    (b) Ministry funding approval.

The freeze applied to any undergraduate program offered by a university after November 1, 1981, which in content, format, or mode of presentation differed significantly from any of the programs previously offered by that university in which students were enrolled. Wherever clarification was required on the application of this general definition to particular cases, it was the university's responsibility to obtain it from OCUA.

Enrolment in new programs not approved for funding was to be reported as ineligible for formula grants. These freeze requirements terminated in December, 1982.

3.1.2. **Current policy - Undergraduate**

3.1.2.1. Basic "core" Arts and Science programs

New programs in basic "core" Arts and Science disciplines may be reported as eligible for grant purposes without having to obtain specific Ministry approval, except where such a new program:

(i) does not have a formula weight already assigned and a weight greater than 1.0 is sought; or

(ii) will require extra operating support; or

(iii) cannot be accommodated within existing available university facilities.

Programs in basic "core" Arts and Sciences disciplines are:

Biological sciences
English Language and Literature
French Language and Literature
General Arts and Science
Humanities
Mathematical Sciences
Physical Sciences
Social Sciences
Theology

3.1.2.2. All other programs

All other new university programs at the undergraduate level, including professional, quasi-professional and "special" programs (i.e., programs outside the category defined as basic "core" Arts and Science) may be reported as eligible for operating grants only after review and recommendation by the Ontario Council on University Affairs and funding approval by the ministry.

Hybrid programs consisting of courses falling partly into section 3.1.2.1 and partly into section 3.1.2.2 are subject to review, recommendation and funding approval.

The Ontario Council on University Affairs Advisory Memorandum 82-VII will provide guidance in most cases for determining whether a program is new and, if so, whether or not it requires ministry funding approval. Wherever further clarification is needed on either point, it is the university's responsibility to obtain it from the Ontario Council on University Affairs

3.1.2.3. Ryerson and Ontario College of Art

Notwithstanding sections 3.1.2.1 and 3.1.2.2 above, funding for all new or substantially expanded programs at Ryerson Polytechnical Institute and at the Ontario College of Art is subject to OCUA review and recommendation to the minister, and ministry approval.

3.1.3. **New programs - Graduate level**

New graduate programs that have successfully passed OCGS's appraisals process are referred to OCUA by COU. These programs are then submitted to OCUA's Academic Advisory Committee. OCUA subsequently recommends those programs deemed to meet the council's criteria to the minister for final approval for funding purposes.

3.1.4. **Programs in Education**

Some recommendations contained in the report entitled Financing University Programs in Education were accepted and implemented by the government in 1972. A weight of 2.0 was assigned to most undergraduate programs, with phasing-in provisions for transferred programs; an annual weight of 3 was assigned to Master's level programs and the standard annual weight of 6 to Doctoral level programs.The minima and maxima provisions for graduate enrolment counting in programs in education apply only for students first registering after June 30, 1971.

Each university undergraduate teacher education program operates under an agreement between the institutions, the Minister of Colleges and Universities and the Minister of Education under the authority of the Education Act. Responsibility for certification and related matters rests with the Minister of Education, while all other responsibility rests with the Minister of Colleges and Universities.

Only programs in education designated as "credit" level by the senate of the university concerned, and which also have the approval of the Minister of Education for certification purposes, where appropriate, are eligible for operating support.

Effective from the beginning of 1980-81, policy on in-service courses is as follows:

> All such courses which lead to university credit are eligible to be claimed for operating support. In-service courses not leading to university credit may be claimed for operating support under the "other grants" category, provided these courses have prior funding approval from the Ministry of Colleges and Universities.

3.2. Categorization and weighting

3.2.1. General

One full time student enrolled for two terms of general degree work offered in a liberal arts program generates one basic income unit. Work in honours, professional and graduate programs is related on a rough cost basis to this basic core.

The categorization scheme does not pretend to reflect precisely the relative costs or the relative importance of each program at each university. There is no intention that the relationship in the categorization table should be reflected in detail in the spending of any university. The formula weights do not necessarily reflect differences in costs among various subjects within a given program or among program years. The formula for which the weights were initially devised was designed merely to produce a reasonably equitable overall distribution of basic government grants. Use of weighted enrolment, or basic income units, generated by this categorization scheme in various envelopes of the current distribution mechanism reflects the general belief that relative overall program costs continue to be reasonably well defined by the existing categorization scheme.

The calculation of Basic Income Units (BIUs) from Full-time Equivalents (FTEs) and Formula Programs of Study (FORPOS) differs slightly at the undergraduate and graduate levels. A full description of the calculation is contained in the annual Essential Notes and Reporting Instructions. The procedure at the undergraduate level involves multiplying a term FTE count (otherwise known as an FFTE or fiscal full time equivalent) by an annual weight for the undergraduate FORPOS to come up with the BIU count generated by the student for the term in question. At the graduate level, an annual FTE (1.0 for a full time student, 0.3 for a part time student) is multiplied by a term weight for the graduate FORPOS to produce the BIU count generated by the student for a particular term. At both levels the BIUs for each term in which the student is present are then summed over the fiscal year to produce the BIU count generated for that fiscal year.

3.2.2. Undergraduate, Diploma and First Degree

Category 1 **Weight 1.0**

First year honours arts, science and social work, undergraduate diploma programs, other than those specifically listed in other categories or otherwise provided for in the annual Essential Notes and Instructions.

General Arts
General Science
Pre-Commerce and Business Administration
Pre-Medicine
Secretarial Science
Theology - both degree and diploma

Category 2 **Weight 1.5**

Upper years honours arts (including Master's level "make-up" year).

Art as Applied to Medicine (University of Toronto)
Commerce and Business Administration
Fine and Applied Arts
Journalism - upper years only
Law
Library Science
Physical Education
Physical and Occupational Therapy
Social Work - upper years only

Category 3 **Weight 2.0**

Upper years honours science (including Master's level "make-up" year)

Agriculture
Architecture
Education (elementary and secondary)
Environmental Studies
Food and Household Sciences
Forestry
Hygiene and Public Health
Industrial Design (Carleton)
Music - both degree and diploma
Nursing
Pharmacy
Public Health Nursing - diploma course

Category 4 **Weight 5.0**

Dentistry
Medicine (except years two and three of McMaster three year program)
Veterinary Medicine

3.2.3. Miscellaneous other undergraduate level

Undergraduate programs which do not fall into the categories defined in section 3.2.2 are shown in the following list. For a more complete list of institution specific programs and the weights assigned to them, see Appendix 1.6.0 of the annual Essential Notes and Reporting Instructions.

Engineering and Forestry Technology (Lakehead University)	1.2
All undifferentiated undergraduate programs in the Faculty of Arts and Science at the University of Toronto, Scarborough College and Erindale College	
1972-73 to 1975-76	1.24
1976-77 to 1977-78	1.279
1978-79 to 1980-81	1.326
1981-82 to 1982-83	1.334
1983-84 to 1985-86	1.37
1986-87 to present	1.391
Four year Concurrent Teacher Education Program	1.25
Engineering and Management (McMaster) - Years 2 and 4	1.5
- Years 1, 3 and 5	2.0
Journalism - one year post-baccalaureate degree (Carleton)	1.5
York (all undergraduate programs excluding Law)1976-77 to 1978-79 (regular weighting applied before 1976-77 and after 1978-79)	1.284
O.I.S.E. Programs:	
Certificate in Adult Education (qualifying or make-up year)	1.0
Master of Arts	1.5
Master of Education - ten unit (without honours)	2.0

Ryerson - all programs	
1974-75 to 1976-77	1.34
1977-78 to 1979-80	1.38
1980-81 to 1986-87	1.36
1987-88 to present	1.42
Ontario College of Art	
1976-77 to 1986-87	1.3
Medical Interns and Residents (three terms)	2.5
Dentistry residents	2.5
Optometry (three years, i.e. excluding pre-Optometry)	3.0
McMaster three year Medicine Years 2 and 3 only	7.5

3.2.4. Graduate level programs

Note: All graduate theology programs carry a weight of 0.5 per term.

Category 5 **Annual Weight 2, Term Weight 1**

- Master's level and First Year Ph.D. direct from Baccalaureate.

Commerce and Business Administration
Health Administration
Journalism
Public Administration

Category 6 **Annual Weight 3, Term Weight 1**

Master's level and First Year Ph.D. direct form baccalaureate in the following programs:

Criminology
Education
Fine and Applied Arts
Library Science (other than "make-up" year)
Law
Humanities
Mathematics
Physical and Health Education
Social Sciences
Master of Philosophy (M.Phil.)
All specialist Graduate Diploma Courses
Graduate programs n.e.s.

Category 7 **Annual Weight 4, Term Weight 1.333**

Master's level and First Year Ph.D. direct from baccalaureate in the following programs:

Agriculture
Architecture
Art Conservation
Child Study
Dentistry
Engineering
Environmental Studies
Food and Household Science
Forestry
Geography
Hygiene and Public Health
Medicine
Music
Nursing
Pharmacy
Physical Therapy
Physiological Optics
Psychology
Science (Physical and Biological)
Social Work
Urban and Regional Planning
Veterinary Medicine

Category 8 **Annual Weight 6, Term Weight 2**

All Ph. D. except First Year Ph.D. direct from baccalaureate.

3.2.5. **NOTES**

"Other graduate programs" as shown in section 3.2.4, Category 6, includes all graduate degree and diploma programs not specifically covered in the descriptions of other categories or in the annual Essential Notes and Instructions for enrolment reporting.

Students in the upper years of honours undergraduate work in psychology, geography and mathematics shall be included in Category 3 (weight 2.0) since costs of undergraduate work in these subjects appear to be, on the average, similar to costs in honours science. At the master's level, however, mathematics would seem to be more appropriately grouped with the humanities and social sciences, and is therefore included in Category 6 (weight 3.0), while psychology and geography, because of laboratory and field work requirements, are again classed with science and engineering in Category 7 (weight 4.0).

4. ENROLMENT REPORTING REQUIREMENTS

A university must bear the adverse consequences of its own errors in enrolment reporting, but will suffer no loss in respect of enrolment under-reported if the situation arose because of an oversight on the part of the Ministry. In submitting reports of actual enrolment, it is the responsibility of the universities to see that no eligible students are unclaimed. Ministry policy with regard to adjustments is contained in Section 1.4 (Error Correction) of the Annual Essential Notes and Reporting Instructions.

The Ministry of Colleges and Universities requires an audit of enrolment data for institutions eligible for operating support. Audit guidelines are contained in Appendix 4.

4.1. Definitions

For purposes of calculating and reporting fiscal FTEs for undergraduate students a number of specialized definitions apply:

4.1.1. Term

A period of studies (including examinations) at a university of about 15 - 17 weeks in length; or one half an academic year; or a semester; or the equivalent as determined by a university. The terms are deemed to be: spring term (May - August); fall term (September - December); winter term (January - April).

4.1.2. Academic Year

A period of studies (including examinations) normally comprising the months of September to April/May inclusive or the equivalent.

4.1.3. Full-time Study

The study load which would enable qualified persons whose principal activity is study at a university, to qualify for the university's degree or diploma in a specified normal number of academic years or terms, assuming for purposes of definition, no more than one attempt at any part of those studies.

4.1.4. Unit of Study

A course, credit, credit hour or other unit of measurement established by a university to represent one part of the total requirements for completion of a degree or diploma program.

4.1.5. **Registration Level**

The ordinal number of years, terms, semesters, etc. employed by a university to indicate the standing of a student in the various stages or levels of a program (e.g. first year student, second year student, first semester student, etc.).

4.1.6. **Normal Full-time Study Load**

The normal full-time study load of an academic year in a program leading to a degree or diploma is the number of units of study in that academic year needed to enable a student successfully to complete the program in the normal number of academic years of full-time study specified for that program.

4.1.7. **Fiscal Full-time Equivalent**

An FTE is represented by a student whose study load in the fiscal year is equal to the normal full-time study load for his or her program and level of registration in the academic year.

4.2.

4.2.1. Students enrolled in undergraduate programs of study for which Ministry funding approval is required, but has not been obtained.

4.2.2. Students who are enrolled in an those church-related institutions which has not met the criteria outlined by the Minister of Colleges and Universities in his letter of June 26, 1975 concerning affiliation with a provincially assisted degree granting institution. (See Section 2.2.1 for details).

4.2.3. Students who are enrolled in an affiliated church-related institution, in a theological program of study introduced after September 1, 1967, which has not met the requirements for program approval as set out in Section 3.1.2., or in a theological program which was ineligible under the former federal scheme of grants for universities and colleges.

4.2.4. Students in an affiliated church-related institution in a non-theological program introduced after September 1, 1974, which has not yet met the requirements for program approval set out in Section 3.1.2.

4.2.5. Those enrolled in graduate programs introduced after Spring 1971 which have not received approval in writing from the Ministry of Colleges and Universities, or those for which funding approval has been withdrawn.

4.2.6. Graduate students enrolled in programs of study that have not been favourably appraised by the Ontario Council on Graduate Studies (i.e. Ph.D. programs established after January 1, 1969 and Master's programs established after July 1, 1967.)

4.2.7. Graduate students enrolled in new programs subject to the embargo on new graduate programs (i.e. all programs without enrolment prior to May 1, 1971, except those designated by MCU as exempt from the embargo).

4.2.8. Students "auditing" university credit courses (possibly registered in a course, but not taking the course for credit standing). To be claimed as eligible, a student must have taken a course for credit standing. Mere registration in a course does not mean eligibility for formula support.

4.2.9. Students registered in the first year of undergraduate degree programs, who on the applicable count date, have **not** successfully completed the requirements for the Ontario Secondary School Honour Graduation Diploma (SSHGD), the Ontario Secondary School Diploma with six Ontario Academic Credits (OSSD with 6 OACs), or the equivalent from other educational jurisdictions except:

(a) mature students;

(b) students registered in Music at the University of Toronto who have completed the requirements for the Ontario Secondary School Graduation Diploma (SSGD) or the Ontario Secondary School Diploma (OSSD) or the equivalent from other educational jurisdictions and have certain additional qualifications in music;

(c) students registered in the transitional year program of the University of Toronto who lack the ordinary entrance qualifications because of economic, social, cultural and ethnic factors;

(d) students registered in first year in a trimester program in the Winter or Spring Term at the University of Guelph, who leave Ontario Year 5 studies before the end of the normal

school year with the permission of the high school principal.

4.2.10. graduate students for whom the maximum of claimable BIUs has been claimed prior to the term being reported on. (Students who will exceed the maximum as a result of the term being reported on should be claimed as eligible at the full entitlement and adjustment made by means of the minima/maxima provisions, as explained in section 4.5)

4.2.11. graduate students who are registered but inactive. This would include students working on their thesis and not making substantial demands on the resources of the institution.

4.2.12. students enrolled on a "full-cost recovery" basis. In such cases, a sponsor pays fees that approximate the operating revenue that the university would have received, had the student been enrolled in the usual way. This includes supernumerary post-graduate medical trainees, who are sponsored by foreign governments.

..... 4.2

4.3. Eligible undergraduate students

4.3.1. Application of definitions

The great variety of programs leading to degrees and diplomas means that the calculation of FFTEs by each institution will be determined by the nature of the program itself while, at the same time, complying with the intent of the definitions provided in section 4.1. Some examples are provided as guidelines:

4.3.1.1. Some programs measure progress toward the degree or diploma and express requirements for completing the program in exact numbers of units of study. For such programs, the **"normal full-time study load" for an academic year is the total number of units of study required to complete the program, divided by the number of academic years of full-time study specified for that program. The FFTEs for a term are calculated by dividing the number of units of study registered by students in the program on the term count date, by the "normal full-time study load" for the academic year.**

4.3.1.2. Some programs measure student progress toward the degree or diploma in "blocks" of study, usually of an academic year in duration. All work prescribed is compulsory, and promotion is from one "registration level" to the next rather than by discrete units of study. There is no part-time study, and students are not permitted to complete the degree or diploma requirements in less than the specified number of academic years or terms of full-time study. The only instance where a study overload is taken is for repeating failed work. In this case, the **"normal full-time study load" is the total work of the academic year. The FFTEs for the term are equal to half the number of students registered in the program on the count date of the term.**

4.3.1.3. Some programs, particularly some honour and professional programs, prescribe variable "normal full-time study loads" reflecting the fact that within the same program, there may be differences in the work expected of individual students for the same degree or diploma. This arises because of differences in enrichment or emphasis. For such programs the **"normal full-time study load" is any amount of work within the range prescribed. For students whose study loads are outside the range, the "normal full-time study load" would be the mid-point of the range, unless the institution**

identifies a point more representative of the loads of students engaged in full-time study in that program. The FFTEs for a term would be equal to half the number of students within the range of the "normal full-time study load" and, for students whose study loads are outside the range, the FFTEs would be determined by the sum of the study loads taken by such students in the term, divided by the normal full-time study load for the academic year. The total FFTEs for the term is the sum of the two situations above.

4.3.1.4. In the case of students not registered in programs leading to degrees or diplomas but enrolled in units of study which are normally credited toward degrees or diplomas, the "normal full-time study load" and the method of calculating the FFTEs is governed by the program to which the units of study are usually credited.

4.3.1.5. The FFTEs for students registered on the applicable count dates in the summer sessions or intersessions are calculated by multiplying the number of student registrants by the fraction, in credit value, that the unit of study represents of the "normal full time study load" of the program for the academic year.

4.3.2. **Eligibility Criteria - Courses/Programs**

For a course or other unit of study to be eligible to be included in the calculation of eligible FFTEs

(a) it must be taken for credit;

(b) it must normally be acceptable for credit as fulfilling in part the requirements for a degree or diploma of that institution;

(c) the student must be held academically responsible for his or her achievement in it (i.e. success, failure, etc. must be noted on the student's permanent record) in a way consistent with treatment of all courses or other units of study in that program.

A course or other unit of study normally credited toward a diploma may not be regarded as eligible to be included in the calculation of eligible FFTEs in a degree program unless it is normally accepted by the institution as fulfilling in part the requirements for a degree.

4.3.3. **Diploma or Certificate Programs**

Effective May 1, 1986, courses or other units of study within undergraduate diploma or certificate programs at Ontario universities may be included in the calculation of eligible FFTEs only if:

(a) the course is eligible for credit toward a degree as approved by a senate or governing council;

(b) the minimum admission requirements for the certificate or diploma program are the same as those for degree students;

(c) similar methods of academic assessment are employed for degree, diploma and certificate students.[19]

4.3.4. **Certificate Programs at Ryerson**

Effective May 1, 1986, courses or other units of study within certificate programs at Ryerson may be included in the calculation of eligible FFTEs only if:

(a) the course has been approved as part of an existing degree or diploma program and is transferable for full credit towards a degree or diploma program and is transferable for full credit towards a degree or diploma program and is transferable for full credit towards a degree or diploma;

(b) minimum admission requirements are the same as for degree or diploma students;

(c) similar methods of academic assessment are employed for degree, diploma and certificate students.

4.3.5. **Lakehead University Diploma Programs**

Notwithstanding section 4.2.3 courses within diploma programs at Lakehead University, which do not carry degree credit but which are currently being reported as eligible, will continue to be eligible for funding pending the results of the review of undergraduate programs now being undertaken at the university.

4.3.6. **Arts and Science Programs Not Differentiated Between General and Honours**

---

19. Ontario Council on University Affairs Advisory Memorandum 85-I

All students in undifferentiated programs in Arts and Science not assigned a special weight should be treated as if they were in the general course, except in the case of fourth year students, who are readily acknowledged as being in the honours category, and except for students in lower years who by virtue of academic standing, or other appropriate criteria embodied in university regulations, may reasonably be categorized as Honours students. Criteria for such differentiation, insofar as they affect the calculation of funding BIUs, are subject to approval by MCU.

4.3.7. **Part time Studies**

Any university claiming support for students not engaged in studies on a full time basis, will be expected to meet the following criteria:

4.3.7.1. Faculty and Teaching Staff

Instructors of part time students are full members of the appropriate department and faculty with the full privileges and responsibilities of any regular or part time faculty member. Appointments to the faculty, terms and conditions of work, including remuneration, should be consistent within the institution irrespective of whether a faculty member is teaching full time or part time students. Payment for services rendered should be based upon a regular teaching load, without regard to the time of day at which courses are taught.

4.3.7.2. Academic Structure

The development of courses of study for part time students should be handled within the normal university structure under the direction of the senate or appropriate academic governing body. In universities where a college system is operative, it may be deemed appropriate to establish or maintain a special college having specific responsibility for part time students. In such cases the college itself, as well as the members of the teaching faculty and students, should have the same relationship to the university, including participation in the governing structure, as would prevail with any other college.

4.3.7.3. Admissions, Examinations and Academic Regulations

Regulations for part time students should be built into the overall academic structure in such a way that the requirements for admission, promotion,

degrees, etc., applying to part time students are identical with those for full time students. Special regulations for mature students, for example, should be university-wide or faculty-wide, without respect to whether a student is proceeding towards a degree on a part time or full time basis. While it is recognized that some special academic regulations for part time students in particular may be required, these and academic regulations of a similar nature not specially for part time students should be developed and administered by the same bodies and in the same manner.

4.3.7.4. Scheduling

The university should schedule its classes on an integrated, extended day program which allows part time students to enrol in classes offered during either day or evening hours and full time students to attend classes specifically scheduled for part time students when practical. The foregoing does not apply to work done through correspondence courses.

4.3.7.5. Overload teaching

Overload teaching is not precluded in special circumstances.

4.3.7.6. Interpretation

Any question with respect to the eligibility of part time students at university should be referred to the Director, University Relations Branch, Ministry of Colleges and Universities.

4.4. Eligible graduate students

4.4.1. Graduate student status

A graduate student claimed for formula support must:

(a) be engaged in studies requiring an honours undergraduate degree or its equivalent as a prerequisite for admission (except for students enrolled in Category 5 graduate programs where the honours degree admission requirement does not apply). Students holding an undergraduate general degree or its equivalent and enrolled in programs listed under categories 6, 7, and 8 should be identified as "qualifying year" or "make-up" students and reported as undergraduates;

(b) be making substantial demands upon the resources of the university where registered;

(c) not be enrolled in a baccalaureate program in any of the following professional fields: social work, library science, law medicine, teacher education (even if such a student possesses an honours undergradute degree, he or she is not considered to be a graduate student);

(d) not be ineligible for any of the reasons outlined in section 4.1

4.4.2. Full time graduate student

A full time graduate student must:

(a) be pursuing his or her studies as a full time occupation;

(b) identify himself or herself as a full time graduate student;

(c) be designated by the university as a full time graduate student;

(d) be geographically available and visit the campus regularly. Without forfeiting full time status, a graduate student, while still under supervision, may be absent from the university (e.g. visiting libraries, doing field work, attending a graduate course at another institution, etc.) provided that, if any such period of absence exceeds four weeks in any one term, written evidence shall be available in the Graduate Studies Office to the effect that the

absence has the approval of the Chairman of the Department and the Dean of Graduate Studies;

(e) not be employed outside the university except by permission of his or her supervisor;

(f) not be regularly employed, save in most exceptional circumstances, on other work or by the university for more than an average of ten hours per week for any term during which he or she is registered as a full time graduate student. If the student is employed as a teaching fellow or demonstrator, the ten hours per week should represent the total time spent by the student in connection with the appointment - including preparation, marking examinations etc.

(g) As well as meeting the requirements for full time status listed above, a student reported as belonging to the special category known as "summer school graduate students", must have been enrolled in a graduate full time summer program of not less than six week's duration. The full time equivalents of summer school graduate students are arrived at by multiplying student numbers by a conversion factor of .50

(h) If reported as a full time summer school graduate in the enrolment for a term report, a student could not also, for that term be reported as a part time student. The general rule, is that no student can be counted in more than one basic category (full time, part time or summer school) in any one term.

4.4.3. Part time graduate student

All active graduate students other than full time graduate students as defined above are part time graduate students.

4.4.4. The counting of graduate students

Graduate enrolment is counted on a trimester basis as for undergraduates. Enrolment for two semesters is required for the completion of a "year" for students in Category 5 (weight 2), while three semesters would be required for each full "year" in Categories 6 (weight 3), 7 (weight 4) and 8 (weight 6). Accordingly, students in Category 5 and Category 6 will earn a weight of one for each semester of attendance, while Category 7 and 8 students will earn, per semester, weights of 1.333 and 2.000 respectively. The requirements for graduate student status are detailed in sections 4.3.1 - 4.3.3. Minimum and maximum limits apply to the number of BIUs which a graduate student can

generate for a university. See section 4.5 for details. Part time graduate students should be reported on a trimester basis, calculating the FTE which each student can generate at 0.3 per student. Graduate summer school students are considered as being full time for one half a semester, and therefore count for 0.5 FTE each.

4.5. Imputing procedure for undifferentiated first year

Where a university employs an undifferentiated program, it is usually impossible to determine first year enrolments which would carry a weight in excess of 1.0 for first year, as first year students are not differentiated until they pass into their second year. In these circumstances, for purposes of calculating the BIU counts which would be generated by these students, enrolments in such programs shall be imputed as follows:

For each program carrying a weight in excess of 1.0 for first year:

4.5.1. Determine for year A, the ratio of second-year enrolment in that program to total second year enrolment.

4.5.2. Calculate provisional first year enrolment in that program by applying this ratio to total first year enrolment.

4.5.3. A year later, on the basis of programs actually taken by the former first year students now in second year, redetermine the ratio.

4.5.4. Apply the amended ratio to year A's total first year enrolment. The result, for BIU count purposes, will be the final first year enrolment in that program for year A.

4.5.5. An imputing adjustment in year B will be reported for the difference between provisional and final first year enrolment in that program in year A.

The above procedure can be extended to the second year of programs whose students are not identifiable as being enrolled in them until the third year. Ministry approval is required to claim imputed BIUs for funding. Such BIUs will be treated as normal BIUs for the purpose of financing.

4.6. Minima-maxima provisions

The purpose of the minima/maxima provisions is to ensure that the total of funding units claimed for a graduate student fall within a defined range independent of the actual number of years required by the individual student to complete his or her program of study. These ranges are as follows:

FORPOS Category	Minima	Maxima
Category 6 (weight 3.0)	3 BIUs	6 BIUs
Category 7 (weight 4.0)	4 BIUs	8 BIUs
Category 8 (weight 6.0)[20]	21 BIUs	27 BIUs

The minima/maxima provisions were intended to apply only to programs involving a dissertation and ordinarily extending beyond a single academic session. It was for this reason that enrolment in Category 5 programs and in graduate diploma courses are excluded from the minima/maxima provisions. Theology programs are considered to fall within Category 6 for purposes of the minima/maxima provisions, notwithstanding their weight of 0.5 per term.

4.6.1. Effective dates

The limits shown above came into effect commencing with the 1968-69 academic session, which was the first year for accumulating units to be counted against individual students (1971-72 for students in Education programs). The minima entitlement provisions apply only to students whose graduate studies began in 1968-69 or later (1971-72 in the case of students in education programs).

4.6.2. Minima provisions

If, upon graduation, the total units claimed for a student fall short of the indicated minimum for his or her program, the shortfall may then be claimed as a minimum adjustment. Since it is not possible to predict on given reporting dates whether particular students will in fact be graduating at the conclusion of the semester

---

20. Calculation of claims under these provisions must take into account all units claimed for students while they were in Category 6 or 7 programs.

being reported on, claims for students under the minimum provision should be made after they graduate.

4.6.3. **Maxima provisions**

Students who are still in attendance and who have reached their maximum limit in total BIUs should be reported as ineligible for financial support purposes, and no further BIUs may be claimed on their behalf.

4.6.4. **Transfer of entitlement**

4.6.4.1. Students transferring into the Ontario system with advanced graduate standing shall have the number of BIUs ordinarily associated with the obtaining of such standing, attributed to them.

4.6.4.2. A graduate student transferring from one university to another within the Ontario system shall transfer only the remainder of his or her maximum total units.

4.5.4.3. Graduate students who transfer to graduate programs other than those originally embarked upon, and on which units were earned will be dealt with as follows:

(a) Where advanced standing was granted the units ordinarily associated with the obtaining of such standing should be attributed to the student.

(b) Where no advanced standing was granted no units previously claimed for the student need be carried forward.

4.5.4.4. Graduate students in programs approved for funding since the graduate program approvals "freeze" ended in 1979-80, and for which 1979-80, but not prior, enrolment could be reported as eligible, shall have attributed to them the number of BIUs normally associated with their work in these programs to date even though part of it may have been completed before 1979-80 began.

4.5.5. **Claiming (or Deducting) of BIUs under Minima/Maxima Provisions**

The report of BIUs claimed or deducted under these provisions should be submitted on the prescribed form

along with the enrolment submissions. Claims under the minima provisions should be made on the form submitted immediately following the graduation of the student for whom entitlement is being claimed.

Students partially exceeding the maximum in the term being reported should be shown on the enrolment submission so as to generate the full BIU count in that term and then the appropriate reduction to attain the maximum should be shown on the minima/maxima form; formula fees will be deducted for all such students. Students who are still in attendance and who have entirely exceeded their maximum limit should be reported as ineligible for grant purposes. Students for whom no units are claimed will not have formula fees charged against them.

5. SPECIAL PROVISIONS

5.1. Tuition Fees

Standard ("formula") tuition fees are taken into account in the calculation of the operating grant entitlements for each institution. In setting its own support levels the government has to consider the basic operating income of the institutions, of which fees are a part. Regular tuition fee and ancillary fee levels are also an aspect of accessibility policy, which is an important concern of government.

5.1.1. Regular tuition fees

5.1.1.1. Through their acts of incorporation, Ontario universities have full legal authority to establish their own fee levels. While these need not be, and in many instances, have not been, identical with the standard fees used in the calculation of operating grant entitlements, the universities have co-operated with the government by keeping actual fees fairly close to the standard fee rates.

5.1.1.2. The government introduced a provision in 1980-81 allowing institutions to set tuition fee rates of up to 110% of the standard tuition fee rates without reduction in operating grants. This provision was amended for 1987-88, as a result of changes in policy governing ancillary fee structures, providing for tuition fee rates of up to 113% of the standard fee rates without reduction in operating grants. The revenue accruing from the discretionary portion of the fees is not part of the basic operating income and thus may be applied to any category of expenditure.

5.1.1.3. Whether or not universities levy tuition fees in accordance with the rates shown in Appendix 1.6.0, the Ministry will deem fees to have been levied at the standard rates for the purpose of calculating grant entitlements.

5.1.1.4. During the early years of "formula" funding of Ontario universities, some special provisions applied to graduate students. A tuition fee exemption was allowed to full time graduate students in respect of the third of three terms consecutively attended. This exemption was discontinued effective September 1, 1972. Further, permission to use government grants and fees to offset the third term fee was discontinued effective September 1, 1975. The standard fee is now deducted for each term of

attendance for all graduate students, including the full time equivalents of part-time students.

5.1.2. Tuition-Related Compulsory Ancillary fees

5.1.2.1. During the period September 1, 1986, to April 30, 1987, institutions were asked by the ministry not to increase any tuition-related ancillary fees beyond the levels which had been approved by formal resolution of their governing bodies on or before June 20, 1986 and not to introduce any new tuition-related ancillary fees that had not been approved as of that date. For purposes of that freeze, tuition-related ancillary fees were those fees which did not fall within the definition of non-tuition-related ancillary fees, set out in the Ontario Council on University Affairs Advisory Memorandum 85-IX, "Compulsory Ancillary Fees".

5.1.2.2. Effective May 1, 1987, all tuition-related compulsory ancillary fees are prohibited. Any revenue resulting from such fees will now be considered to be tuition fee revenue. A 3% increase in the discretionary portion of tuition fees, to 113% of the standard fee, was permitted. Any tuition fee revenue in excess of this amount will be deducted from operating grants.

5.1.2.3. Effective May 1, 1987, compulsory ancillary fees are classified as tuition-related or non-tuition related as detailed in Appendix 5.1.2.3. This classification resulted from the compulsory ancillary fee survey undertaken in the fall of 1986.

5.1.2.4. The ministry defines compulsory courses as those courses which a student is required to take in order to fulfill the requirements of his or her program or degree. A compulsory ancillary fee is defined as a fee imposed or administered by a given institution or one of its constituent parts, or its federated or affiliated institutions in addition to regular tuition fees, which a student is required to pay in order to enrol in, or successfully complete, any credit course.[21]

---

21. Letter from the Honourable Gregory Sorbara, Minister of Colleges and Universities to Mrs. Marnie Paikin, Chairman , Ontario Council on University Affairs, June 12, 1987, revising definition of compulsory ancillary fees.

5.1.2.5. Institutions have been asked to refrain from implementing any additional co-op fees or placement fees, beyond 1987-88 levels, until such time as a study can be completed of the additional costs of job recruitment, student placement and other such activities, both on and off-campus, which are particularly associated with offering co-operative educational programs.

5.1.3. Foreign Student fee differentials and exemptions

Differential fees for foreign students were first instituted in 1977. Effective September 1982, differential fee rates were substantially increased. Grandfathering provisions have applied to each change in rates. Non-exempt students pay a standard fee comprised of the regular fee and an additional fee. The differential fee applies to all students except those exempted as detailed below.

To be exempt from the differential formula fees, a person must fall within one of the following categories:

5.1.3.1. A citizen of Canada within the meaning of the Citizenship Act or a person registered as an Indian within the meaning of the Indian Act.

5.1.3.2. A permanent resident within the meaning of the Immigration Act, 1976:

(a) a person who has been granted permanent resident status; or

(b) a person who has met "all the preliminary requirements" for permanent residency status, and presents a letter from the Canada Employment and Immigration Commission confirming this. Such letters must be dated prior to the enrolment count date and presented prior to the enrolment report due date. Only letters from Immigration officers with the following wording will be acceptable:

"TO WHOM IT MAY CONCERN

This will verify that .....
has submitted a request for a visa exemption which has been forwarded to the Governor-in-Council. Providing the applicant meets all necessary Immigration requirements, he/she will be landed when approval from the Governor-in-Council is obtained."

On March 15, 1983, dependents of permanent residents were made exempt from foreign student fees retroactive to September 1, 1982. This amendment was withdrawn with the issuance, in January 1984, of the November 1983 edition of the Formula Manual, in which the section dealing with visa students was extensively revised. Any student who had been granted exemption before January 1984, as a dependent of a permanent resident, continued to be exempt until the completion of his or her program or May 1, 1986 whichever occurred earlier.

5.1.3.3. A visitor admitted to and remaining in Canada under clause 10(c) of the Immigration Act, 1976, who has entered Canada, or is in Canada, to carry out his official duties as a diplomatic or consular officer; or as a representative or official properly accredited of a country other than Canada, or of the United Nations or any of its agencies, or of any intergovernmental organizations in which Canada participates; or as a dependent or a member of the staff of any such diplomat, consular officer, representative or official; or a member of a foreign military force or of a civilian component thereof admitted to Canada under the Visiting Forces Act, and any dependents of such personnel.

5.1.3.4. A dependent of a visitor who is admitted to and remaining in Canada under clause 10(c) of the Immigration Act, 1976, for the purpose of engaging in employment.

Note: See Section 1.0.8 for definition of dependent.

5.1.3.5. A person admitted to and remaining in Canada who is officially recognized by the Employment and Immigration Commission of Canada as a Convention refugee within the meaning of the Immigration Act, 1976.

5.1.3.6. A person admitted to and remaining in Canada under clause 10(a) or 10(b) of the Immigration Act, 1976, who is sponsored and financially assisted by one of the following:

- the Canadian International Development Agency,
- the International Development Research Centre,
- the World Bank.
- any program of financial assistance to students under an aid program of the United Nations or its agencies, provided such a program is recognized and directly or indirectly assisted by the Government of Canada. Qualifying programs include: Commonwealth Scholarships and Fellowships, NRC Associateships, CIDA bilateral traineeships, and any sponsoring programs of the Food and Agricultural Organization, the International Atomic Energy Agency, and the World Health Organization.

5.1.3.7. A person admitted to and remaining in Canada under clause 10(a) or 10(b) of the Immigration Act, 1976, who is sponsored by a foundation:

- which is a recognized international charitable foundation; and
- which is registered as a charitable organization either in Canada or another industrialized country; and
- whose particular aid program is international in scope and aimed at low-income developing countries; and
- which provides full support to the student including travel, living expenses, tuition fees, etc.; and
- where prior approval of the Minister has been secured.

5.1.3.8. A person admitted to and remaining in Canada under clause 10(a) or 10(b) of the Immigration Act, 1976, who is studying in Canada under a cultural exchange agreement between the Government of Canada and the government of another country, provided that under such an agreement, the number of places made available in Ontario universities, Ryerson or the Ontario College of Art normally equals the number of places made available to Ontario residents in the other country.

5.1.3.9. A person admitted to and remaining in Canada under clause 10(a) or 10(b) of the Immigration Act, 1976, who is studying in Canada under an exchange agreement between an institution in Ontario and an institution of another country, provided that under such an agreement the number of Ontario students going abroad equals or exceeds the number of students from the other country studying in Ontario, and provided that under the agreement all students are registered for complete graduate degree programs, and provided that Ontario students are accorded similar exempt status in the other country.

5.1.3.10. A person admitted to and remaining in Canada under clause 10(a) or 10(b) of the Immigration Act, 1976, who is a holder of an Ontario Graduate Scholarship or, effective September 1985, the Ontario Attorney General's Graduate Fellowship in Law.

5.1.3.11. A person who is a participant in the Ontario-Jiangsu Academic Exchange Agreement between the Ontario Ministry of Colleges and Universities and the Higher Education Bureau of Jiangsu Province, China.

On September 1, 1987, the following criteria for exempting certain categories of international students from payment of the differential fee came into effect.

5.1.3.12. International students who are the legal dependents of Canadian citizens or permanent residents of Canada, will be exempt from payment of differential fees. The dependent status must be fully documented, and must have been established a minimum of three years prior to the student's application for exemption.

Note: See Section 1.0.8, of the Formula Manual, for definition of a dependent.

5.1.3.13. Visitors, and their dependents, (other than graduate teaching and research assistants) who are admitted to, and remain in Canada, (under clause 10(c) of the Immigration Act, 1976), for the purpose of employment, will be exempt from the payment of differential fees.

Note: The spouses of visitors as described above are exempt.

5.1.3.14. Holders of Ontario Graduate Scholarships, who subsequently lose their scholarships, but who maintain the minimum acceptable grade level for Ontario Graduate Scholarship eligibility (i.e., B+), will be exempt from the payment of differential fees, until completion of the program for which they had originally been granted the scholarships.

5.1.3.15. Students sponsored and financially assisted by the Inter-American Development Bank, the Asian Development Bank, the Caribbean Development Bank and the African Development Bank, will be exempt from the payment of the differential fee. These exemptions are in addition to the existing exemptions for students sponsored and assisted by the World Bank, The Canadian International Development Agency, the International Development Research Centre, and by various aid programs of the United Nations and its agencies.

In addition, the spouses and dependents of the students sponsored by the organizations noted above will be exempt from the payment of differential fees.

5.1.3.16. Holders of Canadian Medical Research Fellowships will be exempt from payment of differential fees.

5.1.3.17. A graduate level student selected by his/her university to be exempted from the payment of the differential fee pursuant to the initiative aimed at attracting high-quality international graduate level students, as announced in the budget address of May 20, 1987.

The waivers of which there are 1000 in 1987-88, are available only to full-time international students studying at the graduate level. Each waiver will cover two or three terms, over the period from September 1 to August 31.

The ministry contribution to the cost of each waiver, at the rate of $5,000 per student in 1987-88, will be made paid as a lump sum, as a grant under the special purpose grants envelope, upon receipt of the appropriate documentation from the institution. The remaining cost associated with each waiver will be the responsibility of the institutions.

The waivers will be awarded, to the institutions, on an annual basis. Each institution will be given a fixed number of waivers to allocate, according to a pro-rata distribution, based on a three-year average of full-time graduate enrolment, subject to a minimum of not less than three waivers for any of the provincially-assisted universities. Dominicain College will qualify for one waiver.

Institutions are asked to supply, by November 30 of each year, a list of international students to whom the annual waivers have been awarded. Payments to the institutions will be based on these lists, with confirmation to be provided by the Fall and Winter reports on the USIS-UAR enrolment reporting system. The lists are to be sent to the attention of the Director, University Relations Branch.

In the event that institutions do not appropriately document the granting of their allotted number of exemptions, negative adjustments will be made to the current or the following year's operating grant payments.

Students holding international student fee waivers must be coded appropriately on the enrolment submissions to the USIS-UAR system, both to ensure

that payments are verified and to permit the system to exclude these students from the assessment of international student fee differentials which would otherwise be made against the university.

5.2. Exchange Programs and Study Abroad Courses and Programs

5.2.1. Policy prior to 1981-82

Before 1981-82 students enrolled at Ontario universities but studying abroad were not eligible to be claimed for formula support unless:

(a) Their universities in Ontario incurred costs on their account similar to those that would be incurred were the students attending in Ontario, and

(b) Ministry approval had been obtained for reporting them as eligible to generate grant.

5.2.2. Policy for 1981-82 and subsequent years

Since 1981-82, the Ministry's policy on exchange programs and study abroad courses and programs has been as outlined below:

5.2.2.1. Operating support is intended only for:

(i) Ontario university students registered in Ontario institutions (with one exception explained in 5.2.2.3. below).

(ii) enrolment in those credit courses offered abroad (excluding any offered as part of a holiday package of activities):

(a) recognized as integral parts of specific degree programs at the Ontario institution, and
(b) where effectiveness would be seriously impaired if taught at the Ontario institution instead of abroad, and
(c) where duration in contact hours is not less than comparable courses or programs offered at the Ontario institution during the same session.

5.2.2.2. Subject to the above proviso, a student abroad may be claimed for formula support if he is registered in an Ontario institution and enrolled for credit in a degree program described in its official calendar, and is either:

(i) an exchange student studying abroad under the terms of a formal exchange agreement, or

(ii) a student not part of an exchange program who has

(a) been assessed the regular academic fee for the course or program he is taking;
(c) received instruction paid for by the Ontario institution, regardless of whether the course or program is
(1) offered by the institution's own faculty, or
(2) provided by faculty hired by the Ontario institution, or
(3) purchased from a university abroad attended by the student and leading to academic credit,
and where the direct cost (including only items on which provincial operating grants and fees can normally be spent) is similar to that which would be incurred if the student were receiving instruction at the home institution.

5.2.2.3. A foreign student studying in Ontario under the terms of a formal exchange agreement referred to in section 5.2.2.2. above may not be claimed as eligible to generate operating support.

5.2.2.4. The one exception to this is a foreign student studying in Ontario under the type of inter-institution exchange described in section 5.1.3.9. In this case, all participants in the exchange are registered in complete graduate degree programs. Foreign participants in such an exchange may be claimed for operating support by the Ontario institution they are attending if the participants from Ontario are registered at the institution in the other country, and are not registered at, or claimed for support by, the Ontario institution.

5.2.2.5. Summary information on all study abroad courses and programs claimed for operating grants, and all the necessary supporting data should be submitted annually by the responsible deans to the institution's registrar, who should see that they are cross-referenced to individual student records and kept on file to be made available to university auditors during the course of their audits of enrolment. See Appendix 4. for audit guidelines.

5.3. Students Enrolled at Unrelated Institutions

5.3.1. Cooperative programs:

Wherever a student registered in a program at one institution receives some instruction in that program from another unrelated institution the following rules apply:

5.3.1.1. No matter where the student is taught, BIUs may only be claimed by the student's home university. (i.e., the university where the student is registered). Fees will be deducted from the university claiming the Basic Income Units.

5.3.1.2. The arrangement made for payment between the home and host universities should **not** be reflected in the enrolment reports. Such matters are internal to the institutions involved.

5.3.2. Letter of Permission

When a student receives a formal letter of permission to register in a course or courses at another unrelated institution, each institution may only claim BIUs for those courses for which the student is actually registered at that institution.

5.3.3. Visiting Graduate Students

When a graduate student is registered in a program at one institution and receives some instruction in that program at another unrelated institution, BIUs may be claimed only by the student's home university, i.e., the university where the student is actually registered. The arrangement made for payment between home and host universities should **not** be reflected in the enrolment reports, as it is a matter internal to the institutions involved.